

## Message Text

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PAGE 01 STATE 004328  
ORIGIN ARA-10

INFO OCT-01 EB-07 L-03 ISO-00 COME-00 CIAE-00 INR-07  
NSAE-00 /028 R

DRAFTED BY: ARA:ECA:TSHUGART  
APPROVED BY: ARA:ECA:RWZIMMERMANN  
EB:IFD:OIA:TBRODERICK  
L:ARA:FARMSTRONG  
-----120720Z 014169 /16-10  
R 080233Z JAN 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BUENOS AIRES

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C O R R E C T E D C O P Y (PARA 1, LINE 13 OMITTED)

E.O. 11652: N/A

TAGS: EINV, AR

SUBJECT: INVESTMENT DISPUTE: PROARTEL

REF: B.A. 6140 (SEPTEMBER 21, 1976)

1. OUR MAJOR CONCERN IN MAKING AN APPROACH TO THE GOA ON BEHALF OF THE CBS/TIME, INC. INTEREST IN THE PROARTEL CASE IS THE COMMENT WHICH SECRETARY OF PUBLIC INFORMATION CARPINTERO MADE TO AMBASSADOR HILL ON SEPTEMBER 30, 1976, REGARDING THE ILLEGALITY OF FOREIGN EQUITY PARTICIPATION IN FIRMS LICENSED TO OPERATE TV CHANNELS. ACCORDING TO OUR UNDERSTANDING OF THE RELEVANT ARGENTINE LAW -- WHICH IS BASED ENTIRELY ON CARPINTERO'S COMMENT AND THE CONTENTS OF THE MEMORANDUM ATTACHED TO MESTRE'S AUGUST 5 LETTER TO THE AMBASSADOR -- CBS AND TIME'S HOLDING EQUITY IN  
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PROARTEL DID NOT VIOLATE THE LAW; APPARENTLY IT EXCLUDES FOREIGNERS FROM THE BROADCASTING SECTOR, BUT NOT FROM PRODUCING PROGRAMS FOR LICENSED TV CHANNELS.

2. IF EMBASSY CAN DETERMINE THAT THE RELEVANT LAW DOES NOT PROHIBIT FOREIGN PARTICIPATION IN PRODUCTION FIRMS, EMBASSY SHOULD ASK GOAR MESTRE WHAT PROGRESS HE HAS MADE

IN HIS EFFORTS TO NEGOTIATE AN OUT OF COURT SETTLEMENT  
IN THE PROARTEL CASE WITH THE COMMISSION WE UNDERSTAND  
CARPINTERO APPOINTED IN OCTOBER, 1976. (IN A NOVEMBER 3  
LETTER FROM MESTRE TO BARRY ZORTHIAN OF TIME, INC., WHICH  
ZORTHIAN RECENTLY GAVE TO BOB ZIMMERMANN, MESTRE STATED  
THAT THE COMMISSION WOULD HAVE TO REACH A DECISION WITHIN  
90 DAYS.)

3. IF EMBASSY DETERMINES THAT THERE IS LITTLE LIKELIHOOD  
THE CASE WILL BE RESOLVED IN THE NEAR FUTURE AS A RESULT  
OF THIS OR ANY OTHER PROCEDURES WHICH MESTRE MAY HAVE  
SINCE INITIATED WITH THE GOA, YOU ARE REQUESTED TO MAKE  
AN INFORMAL APPROACH AT APPROPRIATE LEVEL OF GOA TO URGE  
THAT EQUITABLE SETTLEMENT OF PROARTEL CLAIM BE REACHED  
AS SOON AS POSSIBLE. EMBASSY SHOULD NOTE THAT OUR  
APPROACH IS BASED ON THE INTERESTS WHICH TIME, INC. AND  
CBS HAVE IN THE CASE, SINCE MESTRE IS NOT A U.S. NATIONAL.  
EMBASSY SHOULD ALSO POINT OUT THAT WHILE CBS AND TIME, INC.  
HELD NO EQUITY IN PROARTEL WHEN IT WAS SEIZED, MESTRE'S  
INABILITY TO EXTINGUISH HIS SIZEABLE DEBTS TO THOSE FIRMS  
IS A DIRECT RESULT OF THE GOA SEIZURE OF PROARTEL.

4. BARRY ZORTHIAN AND BILL LEONARD (OF CBS) HAVE BEEN  
INFORMED OF, AND ACQUIESCE IN, THE SUBSTANCE OF THIS  
MESSAGE.  
KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LAW, DISPUTE SETTLEMENT, INVESTMENT LAW, DISPUTES, TELEVISION SYSTEMS, BUSINESS FIRMS, FOREIGN INVESTMENTS, TELEVISION BROADCASTING  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 08-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE004328  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** ARA:ECA:TSHUGART  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770025-0113, D770016-0912, D770008-0105  
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**Legacy Key:** link1977/newtext/t19770169/aaaachwy.tel  
**Line Count:** 88  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 6104b7db-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 15-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3637471  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INVESTMENT DISPUTE: PROARTEL  
**TAGS:** EINV, ETEL, AR, US, CBS, PROARTEL, TIME INC  
**To:** BUENOS AIRES  
**Type:** TE  
**vdkgvkey:** odb://SAS/SAS.dbo.SAS\_Docs/6104b7db-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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